

Powell Duffryn (International) Limited
Annual report and financial statements
for the year ended 31 March 2009

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for the year ended 31 March 2009
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Powell Duffryn (International) Limited

Directors' report for the year ended 31 March 2009

The directors of Powell Duffryn (International) Limited (the "Company") present their annual report and audited financial statements of the Company for the year ended 31 March 2009.

Principal activities and future developments

The principal activity of the Company is that of an investment holding company, empowered to acquire and hold shares, stock, other securities and other forms of property.

Results and dividends

The Company made a profit for the year after taxation of £4,411,809 (2008: loss of £1,292,431). In December 2008 the Company disposed of its entire shareholding in Powell Duffryn BV for £74.4m. 80.12% was sold to Powell Duffryn Limited, the immediate parent company. The remaining 19.88% was sold to Prestige Acquisitions Limited. The directors do not recommend the payment of a dividend (2008: £Nil).

Post Balance Sheet Events

There have been no significant events since 31 March 2009.

Principal risks and uncertainties

The business risks affecting the Company are managed at group level.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

R G Lee

J F Soden

Powell Duffryn (International) Limited

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' indemnities

The Company has provided an indemnity for its directors and the Company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the directors has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Independent Auditors

The Company has a resolution in place which dispenses with the requirement to reappoint auditors on an annual basis. PricewaterhouseCoopers LLP will remain as auditors for the ensuing year.

By order of the Board



R G Lee

Company Secretary

15 December 2009

Powell Duffryn (International) Limited

Independent auditors' report to the members of Powell Duffryn (International) Limited

We have audited the financial statements of Powell Duffryn (International) Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

Date

16 December 2009

Powell Duffryn (International) Limited

Profit and loss account for the year ended 31 March 2009

	Note	2009 £'000	2008 £'000
Administrative Expenses		-	(1,090)
Operating loss		-	(1,090)
Profit on sale of investments	4	433	-
Interest receivable and similar income		3,979	(127)
Amounts written off investments		-	(75)
Profit/(Loss) on ordinary activities before taxation	1	4,412	(1,292)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(Loss) for the financial year	7	4,412	(1,292)

Note of historical cost profits and losses for the year ended 31 March 2009

	2009 £'000	2008 £'000
Reported profit/(loss) on ordinary activities before taxation	4,412	(1,292)
Differences arising on profit on disposal of revalued assets	71,777	-
Historical cost profit on ordinary activities before taxation	76,189	(1,292)
Historical cost profit for the year after taxation	76,189	(1,292)

All transactions relate to continuing operations.


The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

Powell Duffryn (International) Limited

Balance sheet as at 31 March 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Investments	4	-	73,946
Current assets			
Debtors	5	216,190	137,848
Cash at bank and in hand		60	44
Net Current Assets		216,250	137,892
Total assets less current liabilities		216,250	211,838
Capital and reserves			
Called-up share capital	6	5,300	5,300
Share premium account	7	127,446	127,446
Revaluation reserve	7	-	71,777
Profit and loss account	7	83,504	7,315
Total shareholders' funds	8	216,250	211,838

The financial statements on pages 4 to 11 were approved by the board of directors on 15 December 2009 and were signed on its behalf by:


J F Soden
Director

Powell Duffryn (International) Limited

Statement of accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Consolidation

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is included in the consolidated financial statements of Citigroup Capital Hold Co UK Limited, which are publicly available.

Investments

Investments in subsidiary undertakings are valued at net asset value. Investments in other investments are valued at cost, less any provision for impairment.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account and are disclosed within interest receivable and similar income.

Dividend income

Dividend income is dealt with in the profit and loss account in the year of receipt and is inclusive of withholding tax, where appropriate.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Cash flow statement

No cash flow statement has been prepared since Powell Duffryn (International) Limited is a wholly owned subsidiary undertaking, and the intermediate parent undertaking, Citigroup Capital Hold Co UK Limited, includes a consolidated group cash flow statement in its financial statements for the period ended 31 March 2009 which are publicly available. Copies can be obtained from the address detailed in Note 11.

Powell Duffryn (International) Limited

Notes to the financial statements for the year ended 31 March 2009

1 Profit/(loss) on ordinary activities before taxation

The amount disclosed as Interest receivable and similar income on the face of the profit and loss is made up of the foreign exchange movements on the inter-company loans.

Fees paid to the Company's auditors for provision of audit services have been borne by Powell Duffryn Limited. This is consistent with the prior year. The audit fee relating to Powell Duffryn (International) Limited was £4,000 (2008: £4,000).

2 Directors and employees

None of the directors received any remuneration from the Company during the year (2008: None).

The Company had no employees during the year. (2008: none)

3 Tax on profit/(loss) on ordinary activities

(a) Analysis of charge in the year

	2009 £'000	2008 £'000
Current tax:		
UK corporation tax at 28% on profits/(losses) in the year (2008: 30%)	-	-
Group relief surrendered/(receivable)	-	-
Tax on profit/(loss) on ordinary activities	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 28%. (2008: 30%) The tax rate was changed to 28% on 1 April 2008. The differences are explained below:

	2009 £'000	2008 £'000
Profit/(Loss) on ordinary activities before taxation	4,412	(1,292)
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	1,235	(388)
Effects of:		
Income not taxable on disposal of investment	(124)	-
Group relief (received)/surrendered for no consideration	(1,111)	388
	-	-

Powell Duffryn (International) Limited

The change in the tax rate reduced the tax on the disposal by £9,000 and the tax on ordinary activities by £80,000.

(c) Factors that may affect future tax charges

There are no relevant factors expected to affect future tax charges.

4 Investments

Shares in subsidiary undertakings:

	Group companies £'000
Cost	
At 1 April 2008	73,946
Additions	-
Disposals	(73,935)
Write-down of investment	(11)
At 31st March 2009	-
 Net book value	
At 31st March 2009	-

In December 2008 the Company disposed of its entire shareholding in Powell Duffryn BV for £74.4m resulting in a gain on disposal of £444,000. 80.12% was sold to Powell Duffryn Limited, the immediate parent company. The remaining 19.88% was sold to Prestige Acquisitions Limited.

The directors are of the opinion that the aggregate value of the investments in subsidiary undertakings is not less than the amount at which these subsidiary undertakings are stated in the balance sheet.

Listed below is the subsidiary undertaking directly held by Powell Duffryn (International) Limited at 31 March 2009. Hamworthy Engineering (Africa) (Pty) Limited was placed in member's voluntary liquidation on 29 May 2008, and the liquidation is expected to be finalised in the coming months. There is not expected to be any final distribution.

Company	Country of incorporation
Hamworthy Engineering (Africa) (Pty) Limited	South Africa

Powell Duffryn (International) Limited

5 Debtors

	2009	2008
	£'000	£'000
Loans due from holding company	179,045	115,858
Loans due from fellow group companies	25,926	-
Amounts owed by fellow subsidiaries	11,219	21,990
	216,190	137,848

The loans from a holding company, Powell Duffryn Limited, are denominated in US dollars and sterling, are unsecured, interest free and have no fixed repayment terms. Loans from fellow group companies are in sterling, are unsecured, interest free and have no fixed repayment terms.

6 Called up share capital

	2009	2008
	£'000	£'000
Authorised shares		
8,000,000 ordinary shares of £1 each	8,000	8,000
Allotted and fully paid shares		
5,300,000 ordinary shares of £1 each	5,300	5,300

7 Reserves

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
Balance at 1 April 2008	127,446	71,777	7,315
Profit for the financial year	-	-	4,412
Realised on disposal of investment	-	(71,777)	71,777
Balance at 31 March 2009	127,446	-	83,504

Powell Duffryn (International) Limited

8 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Opening shareholders' funds at 1 April	211,838	213,130
Profit/(Loss) for the financial year	4,412	(1,292)
Closing shareholders' funds at 31 March	216,250	211,838

9 Related party transactions

As an effective subsidiary undertaking of Citigroup Capital Hold Co UK Limited, the Company has taken advantage of the exemption in FRS 8, 'Related party disclosures' from disclosing transactions with other members of the group headed by Citigroup Capital Hold Co UK Limited.

10 Post balance sheet events

There have been no significant events since 31 March 2009.

11 Ultimate parent company

Name	Country of incorporation	Address from where group accounts are obtainable
Immediate Parent Company		
Powell Duffryn Limited	United Kingdom	Summit House, London Road, Bracknell, Berkshire, RG12 2AQ
Intermediate Holding Company		
Citigroup Capital Hold Co UK Limited	United Kingdom	Citigroup Centre, Canada Square Canary Wharf, London E14 5LB
Ultimate Parent Company		
Citigroup Inc.	United States of America	399 Park Avenue, New York NY 10043

The immediate parent of the Company is Powell Duffryn Limited. The ultimate parent undertaking of the Company for the purposes of s.736 Companies Act 1985 is Prestige (No. 1) Limited. However, the directors consider that Citigroup Capital UK Limited (formerly Nikko Principal Investments Limited until October 2009), which holds warrants to subscribe for ordinary shares in the Company's intermediate parent undertaking, Prestige Acquisitions Limited, and which, on exercise, would make it the majority shareholder, has effective control of the Company. Citigroup Capital Hold Co UK Limited (formerly NPIL Hold Co

Powell Duffryn (International) Limited

Limited until October 2009), a company registered in England and Wales, is the immediate parent undertaking of Citigroup Capital UK Limited and is in turn 100% owned by Citigroup Japan Holdings Corp. (formerly Nikko Citi Holdings Inc until October 2009), a company incorporated in Japan. Citigroup Japan Holdings Corp. is in turn 100% owned by Citigroup Inc and therefore as at 31 March 2009, the Directors consider Citigroup Inc to be the ultimate parent company.

Citigroup Capital Hold Co UK Limited is the parent undertaking of the smallest and largest group that presents consolidated financial statements including the results of the Company. Copies of the financial statements for Citigroup Capital Hold Co UK Limited are available from the Company Secretary, Citigroup Capital Hold Co UK Limited, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB.